United Nations S/AC.37/2002/3

Security Council

Distr.: General
16 April 2002

Original: English

Security Council Committee established pursuant to resolution 1267 (1999)

Note verbale dated 15 April 2002 from the Chargé d'affaires of the Permanent Mission of the Republic of Cyprus to the United Nations addressed to the Chairman of the Committee

The Chargé d'affaires of the Permanent Mission of the Republic of Cyprus to the United Nations presents its compliments to the Chairman of the Security Council Committee established pursuant to resolution 1267 (1999) and has the honour to refer to his letter dated 7 March 2002, and submit the report of the Republic of Cyprus concerning the requirements of resolution 1390 (2002) on the mandatory measures contained therein (see annex).

02-34361 (E) 290402

Annex to the note verbale dated 15 April 2002 from the Chargé d'affaires of the Republic of Cyprus to the United Nations addressed to the Chairman of the Committee

I wish to refer to the letter addressed to the Permanent Representative of the Republic of Cyprus to the United Nations, under reference SCA/2/02(3), concerning Resolution 1390 (2002), which requests all States to report to the Committee on the mandatory measures contained therein.

In response, I would like to refer you to the Report of the Republic of Cyprus submitted to the Security Council Committee pursuant to Resolution 1373 on 24.12.2001, which was distributed as an official document of the Security Council with Reference S/2001/1243, concerning the measures taken by the Republic of Cyprus in order to combat international terrorism.

I would also like to refer you to the supplementary confidential information submitted to the Committee 1373, by the Permanent Mission of the Republic of Cyprus to the United Nations.

Bearing in mind the guidlines prepared by the Committee to assist States in preparing their Reports, the new Co-ordinating Body to Combat International Terrorism has decided to refer you to the abovementioned documents submitted by the Republic of Cyprus pursuant to UNSCR 1373 which cover the issues raised.

In addition, please find attached herewith an updated memo dated 15.3.2002 which outlines the measures of the Republic of Cyprus against terrorism. Also forwarded is a document from the Central Bank of Cyprus on the most recent measures taken concerning the implementation of financial sanctions against the Taliban as well as a document submitted by the Cyprus Police.

The Co-ordinating Body against Terrorism is at your disposal for any further information or clarifications deemed necessary.

P. Clerides

Petros Clerides
Deputy Attorney-General of the Republic
Chairman of the Co-Ordinating Body Against Terrorism

MEASURES AGAINST TERRORISM

General

The Government of the Republic of Cyprus wishes to reiterate that it fully recognizes the existence and the dimensions of this international problem. The fight against international crime, particularly terrorism, through international cooperation, is one of the top priorities of the foreign policy of Cyprus.

The Government reaffirms its commitment to join forces with all Governments on a bilateral level as well as in international fora in the struggle to eliminate terrorism. This determination has been explicitly stated at the highest level with the assurance that all practical measures will be taken in cooperation with the international community and in line with the obligations deriving from the relevant international treaties which Cyprus is party to.

Cyprus has, to date, ratified or acceded to eleven of the twelve international conventions pertaining to international terrorism, as well as the relevant Convention of the Council of Europe and is in the process of ratifying, very shortly, the remaining one, (i.e. the Convention on the Marking of Plastic Explosives of which the Bill is been currently examined by the House of Representatives). Specifically, Cyprus is party to the four main relevant Conventions, which are deposited with the Secretary General of the United Nations, namely the "International Convention for the Suppression of the Financing of Terrorism", the "International Convention for the Suppression of Terrorist Bombings", the "International Convention Against the Taking of Hostages" and the "International Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons including Diplomatic Agents".

Terrorist Attacks Against the United States on September 11, 2001.

- On September 11 the world watched with horror the massive destruction and suffering caused by the shocking events that took place in the United States. These criminal acts of terrorism were condemned unreservedly by the Republic of Cyprus. The attacks were not only attacks against the United States but also an assault against humanity and the fundamental principles of civilization.

- Our fight is against terrorists and terrorism and not against a culture or religion or between cultures or religions. Cyprus therefore associates itself fully with the statement made at the extraordinary European Council on September 21st rejecting "any equation of groups of fanatical terrorists with the Arab or Muslim world".

- The events of September 11th underlined and brought into sharper focus the need for the members of the international community, both individually and collectively, to redouble their efforts in a concerted and coordinated manner to fight terrorism and its sponsorship.

- Those involved in sponsoring terrorism have sought to use international financial facilities for their criminal activities. In this, the Government fully recognizes the importance of having strict anti-money laundering measures in place and the need to cut off the funding and sustaining of terrorism. The Republic of Cyprus is recognized both by individual countries such as the US and leading global anti-money laundering organizations, including FATF that it has a comprehensive anti-money laundering system and that the Central Bank has in place a strict regulatory framework aimed at preventing abuses within the offshore sector.

- Following the attacks on September 11th, Cyprus has taken additional measures in the form of heightened vigilance and security measures

as well as increased efforts to locate and freeze any terrorist assets. These measures and actions have, to date, included the following:

- **12.9.2001** The Ministry of Foreign Affairs issued a press release that unconditionally condemned the terrorist attacks while offering the condolences of the Government and the people of the Republic of Cyprus to President Bush and the American people.

- On the same date the Republic of Cyprus aligned itself with the statement of the Presidency of the European Union in condemning these acts of terrorism.

- **20.9.2001** The Central Bank of the Republic of Cyprus issued a circular to all Commercial Banks and International Banking Units (IBUs) in Cyprus requesting the freezing of potential funds and other financial resources belonging to persons/organizations and/or entities associated with Osama bin Laden and the Taliban. Similar circulars were also sent on **27.9.2001**, on **2.10.2001**, on **17.10.2001**, on **30.10.2001**, on **19.11.2001**, on **5.12.2001**, on **6.12.2001**, on **4.1.2002**, on **9.1.2002** and on **28.1.2002**.

  Note: The above circulars include lists of persons (individuals and entities) designated as being associated with the Taliban and Osama bin Laden, by the Security Council Committee on Afghanistan (acting under SCR 1267 (1999) and 1333 (2000) as well as the persons/entities included in the Executive Order issued by President Bush on September 23, for the blocking of assets of terrorists or terrorist organizations. It is noted that the circular sent on 30.10.2001 included a list issued by the Financial Crimes Enforcement Network (FinCEN).

- **21.9.2001** The Republic of Cyprus aligned itself with the conclusions and plan of action at the extraordinary European meeting in Brussels.

- **23.9.2001** The Ministry of Foreign Affairs sent a letter to the appropriate authorities calling for detailed information on measures taken to heighten security in the Republic.

- **25.9.2001 – 2.10.2001** The Department of Customs of the Ministry of Finance, the Ministry of Communications and Works and the Ministry of Justice and Public Order inform the Ministry of Foreign Affairs respectively that heightened vigilance, surveillance and security measures are in place.

- The authorities have, inter alia, implemented additional measures concerning security checks of all individuals at entry and exit points of the Republic, including the need for crew to pass security control and obtain clearance before entering the premises of any airport. Security presence and patrols have been bolstered especially in sensitive areas. In addition, strict passport scrutiny of all arriving and departing passengers is in place. Additional measures concerning screening of luggage are being taken, including the introduction of 100% screening of all hold baggage checked at Larnaca and Pafos Airports and additional checks of passengers and hand luggage at departure gates. All domestic/international private or pleasure light aviation flights are at present not permitted. Increased inspection of containers/cargoes is being carried out by the Customs Authorities.

- **25.9.2001** The Central Bank of the Republic of Cyprus addressed letters to the Cyprus Bar Association and the Institute of Public Accountants of Cyprus requesting them to inquire with their member whether they had ever provided any services to persons or entities associated with Osama Bin Laden, the organization Al Qaeda and any of the persons included in the list circulated to banks. Similar circulars were also sent on **10.10.2001**, on **18.10.2001** and on **6.12.2001**.

- **29.9.2001** The Ministry of Foreign Affairs sent to all relevant authorities a copy of UNSCR 1373 of 28.9.2001 regarding the call for joint action and measures to be taken by each member-state of the international community in the common endeavour against international terrorism.

- **2.10.2001** Supplementary Circular sent by the Central Bank to all Commercial Banks and International Banking Units (IBUs) regarding the freezing of potential assets/accounts of any person/entity associated with Osama bin Laden and Al Qaeda as designated by UNSCRs 1267, 1333 and the relevant Executive Order (23.9.2001) issued by President Bush.

- **4.10.2001** Decision of the Council of Ministers instructing all relevant authorities of the Republic to investigate the existence of potential assets/accounts of any person/organization or entity associated to Osama bin Laden and Al Qaeda Organization as designated by UN SC Res. 1267, 1333 and the relevant Executive Order (23.9.2001) issued by President Bush.

- **4.10.2001** The Council of Ministers grants facilities to US military aircraft throughout the Republic's sovereign air space and the right to use its airports for an unlimited period of time following a request from the United States.

- **4.10.2001.** The Ministry of Foreign Affairs notifies the Department of Customs of its agreement following the affirmative opinion of the Attorney-General of the Republic for the immediate acceptance of the completion of the procedures to sell to the Government of the United States of America "nuclear reactor plant equipment" and six packages of Zirconium, which were confiscated by the Cypriot authorities.

Note: The nuclear reactor, which is U.S. made was brought to Cyprus in transit, in 1995. However, the export from the United States was carried out illegally since the necessary export permit from the Nuclear Regular Commission of the U.S. Congress had not been acquired. Instead in the export description the reactor was labeled as "power plant equipment". Despite the fact that this was exported as plant equipment and subsequently imported in Cyprus as such, when it was found that its was in fact a nuclear reactor the Republic of Cyprus took every step to withhold the merchandise, even though there was no illegality in the import procedure. In parallel, the Cypriot authorities tried to sell the reactor in a way that would have been in accordance with International Conventions binding the Republic, so that it would not be misused in any way. Since then, the merchandise has been confiscated by the Cypriot authorities.

During the same time period six packages of Zirconium were imported in transit from a third country under similar circumstances, namely an illegality in the export procedures. It is noted that Zirconium is included in the trigger list of dual use items and was also confiscated by the Cypriot authorities.

Following an affirmative opinion of the Attorney-General of the Republic the Customs Office put up for public auction the reactor and the Zirconium packages, in line with the relevant legal mechanism of the Republic, to which the United States Government responded with detailed proposals for both. These proposals have been accepted by the Republic of Cyprus.

- **8.10.2001** Foreign Minister Kasoulides made the following statement: "The Government of Cyprus has taken note of the commencement of the military operations which are targeting international terrorism, its headquarters and the regime that its harbouring the headquarters and the camps of the international network of Osama bin Laden". The Minister also noted that this operation is part of the overall campaign against terrorism that includes diplomatic, political and economic

objectives. He added that "Cyprus appreciates the statements made by President Bush and Prime Minister Blair and in particular that this military operation is not targeting the people of Afghanistan or innocent civilians, but is targeting specifically the terrorists and the regime that its harbouring them". The Minister also stated that Cyprus is among the 40 countries, mentioned by President Bush in his statement, that have offered air space and landing rights to US military aircraft taking part in this operation and that "Cyprus considers itself a member of the coalition which along with other European countries, but also Moslem countries, and in particular friendly countries of the Arab world, are also participating in the fight against terrorism".

- 8.10.2001 Cyprus aligns with a statement by the General Affairs Council of the EU, which declares the full solidarity with the US concerning the operations in Afghanistan.

- 10.10.2001 Council of Ministers approved a Bill titled "Law for the Ratification of the International Convention for the Suppression of the Financing of Terrorism" and authorized its immediate submission to the House of Representatives.

This Bill includes:

1. The Ratification of the International Convention for the Suppression of the Financing of Terrorism that Cyprus signed on 1.03.2001.

1. Setting of penalties for relevant criminal acts in the fulfillment of the obligations arising from provisions of the Convention.

3. Inclusion, in the national legislation, of provisions necessary for the enactment of provisions in the Convention, which are not self-implemented.

4. Determining, with the view to facilitating conformity with the provisions of the Convention, those criminal acts defined as such by the provisions of national legislation on concealment, investigation, and confiscation of assets from certain crimes.

- **17.10.2001** Supplementary Circular sent by the Central Bank to all Banks operating in Cyprus calling for the immediate freezing of any assets belonging to the 39 individuals entities identified in Executive Order 13224.

- **22.10.2001** The House of Representatives approved the aforementioned Bill ratifying the International Convention for the Suppression for the Financing of Terrorism by Law, 29(III) 2001.

  N.B. The Law 29(III) 2001 includes a special provision that calls for the enlargement in size and expansion of mandate of the already existing unit for combating financial crime (M.O.K.A.S.) which will from now on accommodate a special department devoted to investigating and acting upon criminal acts, as derived from the Convention.

- **28.11.2001** The draft Ratification Bill for the "Protocol in the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation", which was approved by the Council of Ministers at 31.10.2001, has been submitted to the House of Representatives. The protocol is being ratified on **20.12.2001.**

- **28.11.2001** The Council of Ministers approves a draft Bill amending the Criminal Code. The Bill criminalizes participation in a criminal organisation in accordance with the Common Act adopted by the Council of the European Union (98/733/JHA). According to the provisions of the Amending Bill, a criminal organisation is defined as a group that exists for at least six months and consists of three or more individuals, with the common purpose to commit serious

criminal offences. The said draft Bill is currently before the House of Representatives of the Republic.

- **30.11.2001** The Instrument of Ratification of the Republic of Cyprus for the International Convention for the Suppression of the Financing of Terrorism is deposited with the Secretary General of the United Nations. Cyprus becomes the 15th country to ratify the above-mentioned Convention.

- **6.12.2001** The Council of Ministers approves the proposal concerning the restrictive measures against the Taliban regarding Common Position 2001/771/CFSP and amending Common Positions 1996/746/CFSP, 2001/56/CFSP and 2001/154/CFSP, by Decision No.54.652.

- **12.12.2001** The Council of Ministers of the Republic approves the establishment of a Coordinating Unit to combat international terrorism. This unit will concentrate on areas of illegal arms sales and brokerage, illegal trafficking of arms, of explosives, of weapons of mass destruction, of harmful chemical substances and of dual-use items. This unit will have the jurisdiction to conduct questioning and investigations, collect data and exchange relevant information with related coordinating units of other countries for the purpose of the suppression of activities relating to terrorism.

This Coordinating Unit will function under the auspices of the Deputy Attorney General of the Republic. In order to ensure an immediate response reaction to any information relating to terrorist activities, this unit will be comprised of two advocates, members of the Law Office of the Republic, a representative of the Ministry of Foreign Affairs, a representative of the Ministry of Justice and Public Order, three representatives from the Police Department, a representative from M.O.K.A.S., a representative from the Central Information Agency, and a specialist on analyzing electronic data.

- **21.12.2001** The Republic of Cyprus submits an exhaustive Report on the "Measures taken to Combat Terrorism" to the Committee 1373 of the Security Council of the United Nations.

- **31.12.2001** the Official Gazette of the Republic publishes the Law 33(III) 001 ratifying the "Protocol for the Suppression of Unlawful Acts of Violence at Airports serving International Civil Aviation" supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation.

- **15.1.2002** The Ministry of Foreign Affairs sent to all relevant authorities a copy of UNSCR 1388 regarding the lifting of bans on Ariana airlines.

- **17.1.2002** The Ministry of Foreign Affairs sent to all relevant authorities a copy of UNSCR 1390 regarding amended restrictive measures on the Taliban, Osama bin Laden, Al Qaeda and their accomplices. In parallel, a relevant proposal implementing UNSCRs 1388 and 1390 was sent for endorsement by the Council of Ministers.

- **5.2.2002** The Council of Ministers endorses the implementation of UNSCRs 1388 and 1390 by Decision 55.055.

- **20.2.2002** The only remaining Convention against International Terrorism to be ratified by the Republic of Cyprus, namely the International Convention on the Marking of Plastic Explosives, was examined by the Committee of External Affairs of the House of Representatives and is shortly to the forwarded for approval by the Plenary.

15 March 2002

CENTRAL BANK OF CYPRUS

IMPLEMENTATION OF FINANCIAL SANCTIONS AGAINST TALIBAN

1. On 4 January, 2001, the Central Bank of Cyprus issued a circular to banks requesting the immediate freezing of funds and financial resources belonging to the four individuals / entities designated by the Security Council Committee concerning Afghanistan by the first addendum to its consolidated list issued on 26 December, 2001 as being associated with Taliban, Al Qaeda and Osama bin Laden. Banks were also requested to inform immediately the Central Bank of Cyprus if such balances were identified in their records.

2. On 25 January, 2002 another circular issued to banks by the Central Bank of Cyprus requested the immediate freezing of funds and financial resources belonging to four other entities / individuals designated by the Security Council Committee concerning Afghanistan. Banks were also requested to inform immediately the Central Bank of Cyprus if such balances were identified in their records.

3. Other measures taken by the Central Bank of Cyprus to implement UN sanctions against Osama bin Laden, Al Qaeda and Taliban are also mentioned in Cyprus's reply to the Questionnaire of Security Council's Committee concerning terrorism (1373 (2001)). In this regard, please refer to Operative paragraph (1), sub-paragraph (c), points 2, 4, 9, 10 and 11 of the said reply.

4. On the basis of the responses received from banks to the above circulars, no funds or financial resources have been identified in Cyprus belonging to any of the individuals / entities included in the lists issued by the Security Council Committee concerning Afghanistan.

Measures adopted by the Cyprus Police in references to resolutions 1267 and 1390 in the Security Council, concerning Afghanistan

Paragraph 3

"All measures they have taken to prevent the entry into or the transit through their territories of the individuals as referred in the list mentioned in par. 2 of resolution 1390".

Answer

Most of the measures taken to prevent the entry into or the transit through our territory of the individuals as referred in the list mentioned in par. 2 of resolution 1390 are included in Sub-paragraph (b) pages 13-14 of the Report of the Republic of Cyprus to the questionnaire of United Nations Security Council Resolution 1373.

Further to the above measures the electronic surveillance within the National Airports has been considerably upgraded.

Paragraph 4

"All measures they have taken to prevent the direct or indirect supply, sale and transfer to these individuals, groups, undertakings and entities from their territories or by their nationals outside their territories, or using their flag vessels or aircraft of arms and related material of all types including weapons and ammunitions, military vehicles and equipment and spare parts for the aforementioned and technical advice, assistance or training related to military activities".

Answer

All relevant measures are mentioned in Operative paragraph 2, sub paragraph (a) page 12, of the Report of the Republic of Cyprus to the questionnaire of United Nations Security Council Resolution 1373.

Paragraph 5

"Report on investigating actions and enforcement actions related to the States efforts to enforce and strengthen the measures imposed under domestic laws and regulations to prevent and punish violations of the measures referred to in paragraph 2 of resolution 1390 (2002)."

Answer

There is a direct close cooperation with all authorities involved to increase and strengthen the measures imposed under national legislation in order to prevent and punish violations of the measures referred to in paragraph 2 of resolution 1390 (2002).